
OFFICE OF THE SECRETARY OF FAMILY AND SOCIAL SERVICES
Notice of Changes in Methods and Standards for Medicaid
Payments for Noninstitutional Providers

In accordance with public notice requirements of 42 CFR 447.205, the Indiana Family and Social Services Administration, Office of Medicaid Policy and Planning publishes this notice of proposed changes to the reimbursement methodology for Medicaid services provided by enrolled noninstitutional providers, which includes home health agencies, outpatient hospitals, clinics, physicians, limited license practitioners, nonphysician practitioners, dentists, laboratories, psychiatric residential treatment facilities, radiologists, home and community based services (HCBS) waiver providers, suppliers of medical equipment and supplies, vision care services, and pharmacy.

The Office of Medicaid Policy and Planning (OMPP) proposes to modify all noninstitutional reimbursement formulas by reducing rates currently paid to all noninstitutional providers under the Medicaid state plan and state regulations at [405 IAC 1-4.2](#) (home health agency), [405 IAC 1-8](#) (hospital and ambulatory surgical centers for outpatient services), [405 IAC 1-11.5](#) (physicians, limited license practitioners, nonphysician practitioners), [405 IAC 1-14](#) (dental services), [405 IAC 5-18](#) (lab services), [405 IAC 5-19](#) (medical supplies and equipment), [405 IAC 1-21](#) (psychiatric residential treatment facility), [405 IAC 5-22](#) (nursing and therapy services), [405 IAC 5-24](#) (legend, nonlegend drugs and dispensing fees), [405 IAC 5-23](#) (vision care services), [405 IAC 5-27](#) (radiology services), and all rates paid to HCBS providers including those established under federally approved HCBS waivers by 5%. This reduction shall be effective July 1, 2009. The reduction shall remain in effect through the end of that state fiscal year 2010, June 30, 2010. Beginning July 1, 2010, rates shall return to the level that was in effect prior to the 5% reduction.

This change in reimbursement is necessary in order to avoid a budgetary shortfall and to remain within the available Medicaid appropriation. It is estimated that the fiscal impact of these changes will be a savings in expenditures of \$61.1 million state and \$118.2 million federal for a total of approximately \$179.3 million in state fiscal year (SFY) 2010.

These changes will be adopted in an emergency rule. A copy of this notice is now on file at the Indiana Government Center South, 402 West Washington Street, Room W451 and open for public inspection. Also, a copy of this notice is now available and may be inspected by contacting the local county division of family and children office, except in Marion County, where public inspection may be made at 402 W. Washington Street, Room W374, Indianapolis, IN. Written comments may be directed to IFSSA, Office of Medicaid Policy and Planning, Attention: Pat Nolting, 402 West Washington Street, Room W374, P.O. Box 7083, Indianapolis, Indiana 46207-7083. Correspondence should be identified in the following manner: "COMMENT RE: MEDICAID RATE REDUCTION." Written comments received will be made available for public display at the address herein of the Office of Medicaid Policy and Planning.

E. Mitchell Roob Jr.
Secretary
Family and Social Services Administration

Posted: 12/24/2008 by Legislative Services Agency
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